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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

March 6, 2008

Lantz Indergard
Lisbon Valley Mining
920 South County Road 313
La Sal, Utah 84530

Subject: Partial Bond Release Request, Lisbon Valley Mining, Lisbon Valley Copper Mine, M0370088, Task 2206, San Juan County, Utah

Dear Mr. Indergard:

Lisbon Valley Mining Company (LVMC) submitted a request for a bond reduction of \$563,132.00 on February 6, 2008. This request is denied. Division staff not familiar with the mine reviewed the plan, bond spreadsheets, and release request. A clear correlation between the plan and the bond spreadsheet couldn't be made. Some of these discrepancies and inconsistencies are:

- Missing or inconsistent acreage on the spreadsheet;
- Spreadsheet numbers don't 'add up';
- Assumptions not provided; and
- No explanation of surety calculations in the plan.

If you wish to pursue a bond reduction, the Division suggests you amend the existing Notice of Intention to provide detailed descriptions and assumptions for each line item in the bond spreadsheet.

Please call if you wish to further discuss this decision, (801) 538-5258.

Sincerely,

Susan M. White
Minerals Program Manager

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SMW:PBb:pb

cc: Rebecca Doolittle, Moab BLM
Lynn Jackson,
Tom Faddies, SITLA

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